



National Credit Union Administration
Office of General Counsel

TO: NCUA Board
DATE: February 11, 2022
FROM: Office of General Counsel
Office of Examination and Insurance
SUBJ: Interim Final Rule – Capital Adequacy; Prompt Corrective Action (Part 702)

ACTION REQUESTED: NCUA Board approval to issue the attached interim final rule.

DATE ACTION REQUESTED: February 17, 2022.

OTHER OFFICES CONSULTED: None.

VIEWS OF OTHER OFFICES CONSULTED: N/A

BUDGET IMPACT, IF ANY: There is no estimated budget impact.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBERS: Marvin Shaw, Senior Staff Attorney, Office of General Counsel; Thomas Zells, Senior Staff Attorney, Office of General Counsel; David Blanchard, Director, Division of Risk Management, Office of Examination and Insurance; and Kathryn Metzker, Risk Officer, Office of Examination and Insurance.

SUMMARY: The interim final rule would extend certain regulatory requirements currently in effect to help ensure that federally insured credit unions (FICUs) remain operational and liquid during and following the COVID-19 crisis. Specifically, this rule extends two temporary changes to the NCUA's prompt corrective action (PCA) regulations: the first amends §702.106 to waive the earnings retention requirement for any credit union that is adequately capitalized, and the second modifies §702.109 with respect to net worth restoration plans.

RECOMMENDED ACTION: The NCUA Board approve the attached interim final rule for publication in the *Federal Register* for a 60-day comment period.

ATTACHMENT: Interim final rule.